

EXHIBIT A

Insurance Commissioner
ACCEPTED SOP

JUN 05 2025

TIME: 8 AM

SUPERIOR COURT OF THE STATE OF WASHINGTON
FOR KING COUNTY

COSTCO WHOLESALE CORPORATION, a
Washington corporation,

Plaintiff,

v.

TWIN CITY FIRE INSURANCE
COMPANY, a foreign insurer authorized by
the Washington insurance commissioner,

Defendant.

Case No.: _____

**COMPLAINT FOR (1) DAMAGES AND
DECLARATORY RELIEF, (2) BREACH
OF CONTRACT, (3) VIOLATIONS OF
THE INSURANCE FAIR CONDUCT ACT,
AND (4) INSURANCE BAD FAITH**

Plaintiff Costco Wholesale Corporation ("Costco"), for its Complaint for Declaratory Relief and Damages, Breach of Contract, Violations of the Insurance Fair Conduct Act, and Insurance Bad Faith against defendant Twin City Fire Insurance Company ("Twin City"), alleges:

PARTIES

1. Plaintiff Costco is a Washington corporation qualified to do business in the State of Washington with its principal place of business in King County, Washington. Costco has paid all applicable fees and licenses, and satisfied all conditions precedent to bringing this action.

1 2. Defendant Twin City is a foreign insurer authorized by the Washington insurance
2 commissioner that issued an insurance contract insuring an entity that resides in King County,
3 Washington and has failed to provide coverage demanded by that entity.

4 **JURISDICTION AND VENUE**

5 3. This Court has subject matter jurisdiction over this action pursuant to, among other
6 things, RCW 7.24.010 and .030 because this action presents a justiciable controversy between
7 the parties regarding Twin City's obligations to Costco under the insurance policy at issue. This
8 is an actual and existing dispute within the meaning of Chapter 7.24 RCW, between parties
9 with genuine and opposing interests which are direct and substantial, a judicial determination
10 of which will be final and conclusive.

11 4. This Court has subject matter jurisdiction under RCW 48.30.015 pursuant to the
12 Insurance Fair Conduct Act as Twin City has unreasonably refused to acknowledge and provide
13 coverage and payment of benefits to Costco.

14 5. This Court has personal jurisdiction over Twin City pursuant to, among other things,
15 RCW 4.28.185 and RCW 48.05.200 because Twin City insured Costco which has resided in
16 King County, Washington at all relevant times, and Twin City wrongfully failed to
17 acknowledge and satisfy its coverage obligations to Costco for the lawsuit at issue in this action.

18 6. Venue for this action properly lies in this Court pursuant to, among others,
19 RCW 48.05.220 because Twin City insured Costco which has resided in King County,
20 Washington at all relevant times, and wrongfully denied Costco's demand for coverage for the
21 underlying lawsuit at issue in this action. This action is properly brought in the Seattle Division
22 under LR 82(a) because Costco resides North of Interstate 90 in King County, Washington.

23 **GENERAL ALLEGATIONS**

24 7. On or about August 12, 2019, Costco entered into a written Costco Wholesale Global
25 Import Supplier Agreement (the "Agreement") with Traeger Pellet Grills, LLC ("Traeger").
26 Under Agreement, Traeger agreed to supply merchandise to Costco. Traeger also agreed to

1 indemnify Costco and maintain certain general liability insurance (including, without
2 limitation, products and completed operations liability and contractual liability) naming Costco
3 as an additional insured thereunder.

4 8. The Agreement between Costco and Traeger expressly provides that it shall be
5 governed by Washington law.

6 9. On information and belief, at Traeger's request, Twin City issued a commercial
7 general liability policy to named insured Traeger that was in effect from at least May 1, 2021,
8 to May 1, 2022 (the "Policy").

9 10. On information and belief, pursuant to the Agreement, Traeger requested that Twin
10 City name Costco as an additional insured "vendor" under the Policy.

11 11. On information and belief, Twin City did in fact make Costco an additional insured
12 under the Policy.

13 12. The Policy requires Twin City to, among other things, pay all sums which an insured
14 (including additional insured Costco) becomes legally obligated to pay as damages because of
15 bodily injury or property damage caused by an occurrence during the policy period, and to
16 defend Costco in any suit seeking such damages.

17 13. On December 13, 2023, Troy Ryder ("Ryder") filed against Costco a complaint in
18 San Joaquin (California) County Superior Court Case No. STK-CV-UPI-2023-0006254 (the
19 "Ryder Suit"). The Ryder Suit sought to recover damages for bodily injury and allegedly
20 sustained by Ryder that arose at least in part out of a Traeger product when Ryder allegedly
21 was injured by Traeger's heavy grill box that allegedly did not show or warn of the weight of
22 the box or specify or provide means of safely moving the box.

23 14. The Policy was in effect at the time of the injury alleged in the Ryder Suit. The
24 allegations of the Ryder Suit triggered Twin City's coverage obligations to Costco under the
25 Policy, including but not limited to providing Costco with a fully-funded defense and funding
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1 up to the amount of stated policy limits of a reasonable settlement reached or adverse judgment
2 entered in that suit.

3 15. Costco tendered the Ryder Suit to Twin City under the Policy, and demanded that
4 Twin City acknowledge and satisfy its coverage obligations to Costco in the Ryder Suit.

5 16. Since receiving Costco's coverage tender of the Ryder Suit, Twin City has
6 repeatedly refused to acknowledge and satisfy its coverage obligations to Costco for that suit.

7 17. Twin City did not seek a judicial determination that it had no coverage obligations
8 to Costco in the Ryder Suit.

9 18. Twin City's failure to provide coverage to Costco for the Ryder Suit was wrongful
10 and unreasonable.

11 19. Costco has been damaged and will continue to suffer damage as a result of Twin
12 City's wrongful and unreasonable refusal to provide coverage to Costco for the Ryder Suit,
13 including defending and paying a reasonable settlement or adverse judgment in that suit. For
14 example, Costco has already incurred attorney fees and costs defending against that suit, and in
15 pursuing the coverage to which Costco is entitled from Twin City under the Policy (including
16 without limitation the cost of bringing and ultimately litigating this action to obtain the full
17 benefit of the Policy under which Costco is insured).

18 20. Costco mailed its Insurance Fair Conduct Act ("IFCA") claim notification to the
19 Office of the Insurance Commissioner more than 23 days prior to filing and serving this lawsuit.

20 **FIRST CAUSE OF ACTION: DECLARATORY JUDGMENT**

21 21. Costco incorporates herein by reference so much of the other portions of the
22 Complaint as is not inconsistent with this first cause of action.

23 22. An actual and justiciable controversy has arisen and now exists between Costco
24 and Twin City concerning Costco's rights and Twin City's obligations under the Policy.
25 Specifically, Costco contends that Twin City has a duty to defend against and pay a reasonable
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1 settlement reached or adverse judgment entered in the Ryder Suit. Despite Costco's demand
2 that it do so, Twin City has repeatedly failed to acknowledge and satisfy any of those duties.

3 23. Costco is entitled to a judicial determination of its rights and Twin City's
4 obligations under the Policy with respect to the Ryder Suit, and specifically that:

5 a. Twin City is obligated to provide a complete defense to Costco in the Ryder
6 Suit, including paying for all attorney fees, costs, expert witnesses fees and other
7 legal expenses incurred by Costco from the commencement through the
8 conclusion of that suit;

9 b. Twin City is obligated to fund any reasonable settlement of the Ryder Suit that
10 Costco is able to negotiate and/or pay any judgment ultimately entered against
11 Costco in that suit; and

12 c. Twin City has breached and will continue to breach the Policy by refusing to
13 acknowledge or satisfy its coverage obligations to Costco with respect to the
14 Ryder Suit.

15 24. A determination by this Court of the parties' respective rights, duties and
16 liabilities under the Policy is necessary and proper at this time.

17 **SECOND CAUSE OF ACTION: BREACH OF CONTRACT**

18 25. Costco incorporates herein by reference so much of the other portions of the
19 Complaint as is not inconsistent with this second cause of action.

20 26. Costco has duly performed each and every condition of the Policy on its part to
21 be performed.

22 27. Twin City has failed and refused to perform its obligations set forth in the Policy
23 in that it has repeatedly failed to fund Costco's defense against the Ryder and pay any
24 reasonable settlement reached by or judgment ultimately entered against Costco in that suit. As
25 such, Twin City has breached its contractual duties to Costco.
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28. As a direct and proximate result of Twin City's breach of its contractual duties, Costco incurred and will continue to incur substantial damages according to proof at trial, including but not limited to attorney fees, costs and expert fees incurred and to be incurred in defending against the Ryder Suit. Furthermore, Costco has incurred and continues to incur fees and costs to obtain the full benefits to which it is entitled under the Policy.

THIRD CAUSE OF ACTION: VIOLATIONS OF THE INSURANCE FAIR

CONDUCT ACT

29. Costco incorporates herein by reference so much of the other portions of the Complaint as is not inconsistent with this third cause of action.

30. Under IFCA, Twin City owed a duty not to unreasonably deny a claim for coverage or payment of benefits to an insured.

31. Twin City's aforementioned failures to acknowledge and satisfy Costco's right to coverage for the Ryder Suit constitutes an unreasonable denial of Costco's claim for coverage and payment of benefits to Costco.

32. By unreasonably failing to pay all covered loss and damage sustained by Costco, Twin City committed bad faith and violated IFCA, including but not limited to under RCW 48.30.010, RCW 48.30.015, and WAC 284-30-330, et seq.

33. Costco sent Twin City and the Washington Office of the Insurance Commissioner a notice pursuant to IFCA more than 23 days prior to filing and serving this lawsuit.

34. Twin City has not cured the violations set forth in that notice.

35. Costco has sustained damages as a direct and proximate result of Twin City's bad faith. As a result, Costco is entitled to recover damages from Twin City for all amounts properly owned under the Policy (equal to the full cost of a fully funding the defense of the Ryder Suit and funding up to the amount of stated policy limits of a reasonable settlement

1 reached or adverse judgment entered in that suit), treble damages, and attorney fees and
2 expenses to the full extent allowed by the law.

3 **FOURTH CAUSE OF ACTION: INSURANCE BAD FAITH**

4 36. Costco incorporates herein by reference so much of the other portions of the
5 Complaint as is not inconsistent with this fourth cause of action.

6 37. Under applicable Washington decisional, statutory, and regulatory law, Twin City
7 owed a duty to act in good faith toward Costco, including, but not limited to, not prioritizing its
8 own interests over the Costco's interest.

9 38. Twin City failed to act in good faith and violated applicable claims handling laws
10 by not providing Costco with full coverage for the Ryder Suit. Twin City's violations and
11 refusal to provide full coverage were unreasonable, frivolous and unfounded and thus constitute
12 bad faith under applicable insurance law.

13 39. Twin City is accordingly estopped from refusing to provide the full coverage for the
14 Ryder Suit.

15 40. Costco has sustained damages as a direct and proximate result of Twin City's bad
16 faith. As a result, Costco is entitled to recover damages from Twin City for all amounts properly
17 owed under the Policy (equal to the full cost of a fully funding the defense of the Ryder Suit
18 and funding up to the amount of stated policy limits of a reasonable settlement reached or
19 adverse judgment entered in that suit), and attorney fees and expenses to the full extent allowed
20 by the law.

21 **PRAYER FOR RELIEF**

22 Plaintiff Costco requests the following relief from this Court:

- 23 1. A declaration that Twin City has a duty to defend Costco against the Ryder Suit;
24 2. A declaration that Twin City has a duty to pay any reasonable settlement reached
25 by or judgment ultimately incurred against Costco in the Ryder Suit;
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1 3. A declaration that Twin City breached the Policy by refusing to acknowledge
2 and satisfy its coverage obligations to Costco with respect to the Ryder Suit;

3 4. A judgment against Twin City for Costco's actual damages in the amount to be
4 established at hearing or trial;

5 5. A judgment against Twin City awarding Costco treble damages pursuant to
6 IFCA;

7 6. A judgment against Twin City for Costco's costs and attorney fees to the full
8 extent allowed by law (for example, pursuant to Washington's *Olympic Steamship* doctrine and
9 IFCA), in the amount to be established at hearing or trial;

10 7. A judgment against Twin City for pre-judgment and post-judgment interest on
11 the above amounts, to the full extent allowed by law;

12 8. Permission to amend the pleadings to add additional claims verified during
13 discovery and litigation, or claims that conform to the proof offered at the time of hearing or
14 trial; and

15 9. Such other relief as appears to this Court to be just and equitable.

16 Dated: June 3, 2025

BUCHALTER

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18 By: /s/ Bradley Hoff

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 COSTCO WHOLESALE CORPORATION,
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